

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF SALT)
RIVER WATER DISTRICT FOR) CASE NO. 8782
AN ADJUSTMENT OF RATES)

O R D E R

IT IS ORDERED that Salt River Water District ("Salt River") shall file an original and eight copies of the following information with the Commission by September 13, 1983. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. The Commission in item 6 of its information request of August 12, 1983 requested that Salt River provide certain information concerning its professional service expenses for the preparation of this rate case. The response provided by Salt River is inadequate to meet the Commissions needs and thus additional informational must be provided.

In connection with this case, Salt River has included rate case expense of \$2,650. Of the total amount \$2,500 is listed as engineering fees to be billed Salt River by Rankin-Presnell Associates. The Alternative Rate Filing Procedure, 807 KAR 5:076, was developed and implemented by the Commission to substantially reduce professional

assistance in the preparation of rate cases. The Commission is definitely concerned with the engineering fees in this case and notifies Salt River that the overall level of rate case expense may be reduced unless it is furnished full and reasonable justification supporting the necessity for the services rendered including full justification that this expense should be borne by the ratepayers.

Provide the following information concerning engineering fees of \$2,500 included in projected rate case expense of \$2,650.

- a. Hourly rate for engineering fees
- b. Total number of hours spent on this rate case by the engineering firm
- c. A complete breakdown of the hours spent on each phase of the rate case (Preparing initial application, response to Commission request number 1. etc.)
- d. A complete narrative explanation of the services provided for each hour or similar group of hours billed.
- e. A description of Salt Rivers method of choosing an engineering firm to prepare this rate case including a description of all other firms considered and the quoted fees.
- f. A complete explanation of any unusual circumstances or problems that have contributed to the level of rate case expense in this case.

2. In response to item number 8 of the Commissions second information request Salt River provided a reconciliation of the total electric consumption for the test period. Regarding that information provide the following.

- a. For meter #1 explain why the total bill includes balances brought forward for the months of February and October.
- b. An explanation of whether the expense for fueling the replacement pump will be recurring expense.

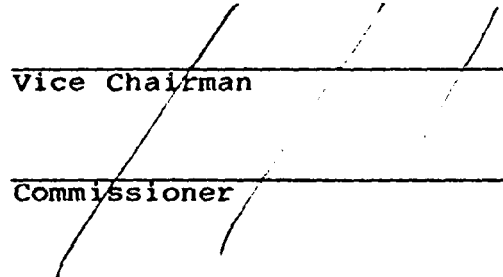
Done at Frankfort, Kentucky, this 2nd day of September,

1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary